



State of California

# Employment Training Panel

Arnold Schwarzenegger, Governor

August 22, 2008

Monica Bracho-Hernandez  
Human Resources Manager  
KIK Custom Products Los Angeles  
425 South Ninth Avenue  
City of Industry, CA 91746

Dear Ms. Bracho-Hernandez:

**RE: FINAL MONITORING VISIT REPORT for KIK Custom Products (KIK) – ET06-0318**

<b>Date of the Visit:</b>	06/24/08 (City of Industry) and 08/22/08 (via teleconference)
<b>Beginning/Ending Time:</b>	11:00 a.m. – 12:15 p.m.
<b>Date of Last Visit:</b>	08/17/07
<b>Visit Location:</b>	City of Industry
<b>Persons in attendance:</b>	Monica Bracho-Hernandez, KIK Mark Reeves, ETP Analyst
<b>Action Required:</b>	No

## **CONTRACT INFORMATION:**

<b>Term of Agreement:</b>	06/07/06 – 06/06/08	<b>Agreement Amount:</b>	\$81,120
<b>Training Start Date:</b>	08/07/06	<b>No. to Retain:</b>	130
<b>Date Training must be Completed:</b>	03/07/08	<b>Range of Hours:</b>	24 - 160
<b>Type of Trainee:</b>	Retrainee	<b>Weighted Ave. Hours:</b>	48

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[www.etp.ca.gov](http://www.etp.ca.gov)  
ETP (04/15/05)

**FINAL REPORT SUMMARY:**

• ***HISTORY OF AGREEMENT CHANGES***

Training began on August 7, 2006 and you confirmed that all training was completed by March 7, 2008 which allows for the 90-day retention period to be completed within the term ending date of June 6, 2008.

On August 24, 2007, ETP processed an Agreement Revision to document your company's ownership/name change from Aerosol Services Company, Inc. to KIK Custom Products Los Angeles.

• ***INTERVIEW WITH CONTRACT REPRESENTATIVE***

Based on your lower than expected completion rate, Mr. Reeves inquired regarding the barriers that precluded KIK from performing better on this Agreement. You reported that the company's change in ownership, which took place approximately a year into the Agreement, led to major changes and challenges that affected the company's training initiatives. You explained that several training sessions were delayed or cancelled due to business demands. You indicated that although significant portions of training were delayed, KIK has continued to provide key components of the training beyond the term of this Agreement.

You reported that KIK did not experience any significant record keeping problems during the administration of this Agreement and did not recommend any necessary changes to improve the process.

Despite the lower than expected completion rate, you reported that portions of the training, particularly elements of the Continuous Improvement skills, helped the company improve its manufacturing processes. You indicated that KIK is close to stabilizing its operations and may soon be seeking additional ETP funding to help further the company's training goals and improve its competitiveness in the industry.

***Breakdown and discussion of expected earnings:***

According to your records, you expected to retain 45 trainees in this Agreement. The ETP Class/Lab Tracking system shows that 45 trainees completed the minimum required 24 hours of training, for a cumulative total of 1,645 hours. At \$13 per training hour, total potential reimbursement currently stands at \$21,385, or approximately 26% of the Agreement total, pending final closeout verification.

Current ETP records show that KIK has received \$4,836 in unearned progress payments. You reported that KIK expects final earnings to match the projected amount noted above. During your teleconference on August 22, 2008, Mr. Reeves provided you with technical assistance in submitting P1 and P2 progress payments for the trainee that completed training. Mr. Reeves reminded you that the closeout invoice should be submitted no later than 30 days after the end term date of the Agreement. You agreed to follow the online invoicing procedures and submit the final closeout invoice as soon as possible.

**PROJECT STATUS PROVIDED BY THE CONTRACTOR:**

<b>Trainees Started Training:</b>	129	<b>Completed Training:</b>	45
<b>Dropped Following Enrollment:</b>	84	<b>Completed Retention:</b>	45
<b>Completed Minimum Hours for reimbursement:</b>	45	<b>In Retention Period:</b>	0

**AUDIT:**

KIK will be notified in writing if this agreement is selected for an audit, conducted either at your site (field audit) or by telephone (desk audit or "review"). The Audit Notification and Audit Confirmation letters will be sent in advance to allow ample preparation time and will include a list of documents that will be examined by the auditor. To provide support of training, original training attendance documentation is required; photocopied records are not acceptable. Listed below are types of records typically requested during an ETP field audit:

- Training attendance records such as rosters, sign-in sheets, etc.
- Payroll records of individual trainees to verify wage and hours worked
- Personnel records regarding occupation and dates of employment
- Documentation of employer paid health benefits (if applicable)
- Cash receipts to verify receipt and accounting of ETP funds

**RECORD RETENTION:**

Records must be retained within your control and be available for review at your place of business within the State of California. This responsibility will terminate no sooner than four (4) years from the date of the termination of the Agreement or three (3) years from the date of the last payment by ETP to the Contractor, or the date of resolution of appeals, audits, claims, exceptions, or litigation, whichever is later.

If you have any questions or comments regarding this report, please contact Mr. Reeves at (818) 755-3635 or by e-mail at [sreeves@etp.ca.gov](mailto:sreeves@etp.ca.gov) within ten (10) working days from the receipt of this report.

Sincerely,

**Signature on file**

Dolores Kendrick, Manager  
North Hollywood Regional Office

**Signature on file**

S. Mark Reeves, Contract Analyst  
North Hollywood Regional Office

cc: David Guzman, Chief, Program Operations Division  
Kulbir Mayall, Manager, Fiscal and Certification  
Master File  
Project File

Date report mailed to Contractor 9/4/08